Futures Dealer interview questions

careertips.com.au: common questions and what they're really testing

What to expect

Interviews for futures dealer roles typically assess your technical knowledge of exchange-traded derivatives, your risk management discipline and your ability to perform under pressure. Expect a mix of competency-based and technical questions, often with a trading scenario or market view discussion.

- **Technical knowledge:** Questions on contract specifications, margin mechanics, and market drivers.
- **Risk and process:** How you manage drawdowns, margin calls, and reconciliation.
- **Behavioural and pressure:** Examples of staying disciplined during volatile markets.
- **Market awareness:** Your view on current economic data and price trends.

The interview usually starts with an overview of your background, then moves to technical and scenario questions, often with a trading simulation or case study. It may conclude with a discussion of your risk framework and fit with the desk.

1. Walk me through how you execute a futures trade from order receipt to settlement.

Why they ask

This tests your understanding of the end-to-end process and your attention to detail.

How to structure your answer

A clear step-by-step walk-through covering order receipt, risk checks, execution, confirmation, and reconciliation.

Example answer

"When I receive an order, I first confirm the contract, quantity, price limits and client instructions. I check the order against risk limits and margin requirements. Then I execute on the exchange using CME Direct or the ASX 24 platform, seeking the best available price. After execution, I confirm the fill with the broker and client, and record the trade in the system. At close of business, I reconcile the trade against broker statements and settle any margin calls. I ensure all steps are documented for audit."

2. Tell me about a time you had to manage a significant drawdown on an open position.

Why they ask

This assesses your risk discipline and ability to stay calm under pressure.

How to structure your answer

Situation, Task, Action, Result.

Example answer

"In a previous role, I held a long futures position on the SPI 200 index when a surprise economic data release caused a sharp market drop. My task was to minimise losses without panicking. I quickly assessed the drawdown against my stop-loss levels and decided to reduce the position in tranches rather than exit all at once. I also checked margin requirements to ensure I had enough buffer. The result was that I limited the loss to within my daily risk limit, and the market later recovered, allowing me to re-enter at a better price. I learned to always have a contingency plan for volatile events."

3. You notice a margin call is due but your client is uncontactable. What do you do?

Why they ask
This tests your judgement under pressure and your understanding of regulatory obligations.

How to structure your answer
Assess the situation, consider regulatory and ethical obligations, outline immediate actions, and explain follow-up.

Example answer
“First, I would review the client's account and the terms of the margin agreement to confirm the deadline and consequences of non-payment. I would attempt to contact the client through all available channels, including phone, email and any emergency contacts. If the client remains uncontactable and the deadline is imminent, I would escalate to my supervisor and the risk department. Depending on the firm's policy, I might need to liquidate part of the position to cover the margin call to avoid a breach. I would document all attempts and actions, and follow up with the client as soon as possible to explain what happened and review their contact arrangements.”

4. How do you use economic data releases to inform your trading decisions?

Why they ask
This tests your analytical approach and market awareness.

How to structure your answer
Explain your analytical framework, give a specific example, and link to risk management.

Example answer
“I start by mapping out the key data releases for the week, such as GDP, inflation, or employment figures, and their potential impact on the futures contracts I trade. I use Bloomberg Terminal and Reuters Eikon to get consensus forecasts and historical reactions. Before a release, I adjust my position size to manage risk. After the release, I compare the actual figure to expectations and watch the market's immediate reaction. For example, if Australian employment data comes in stronger than expected, I might look for a long position in interest rate futures, but I always set a stop-loss. I also use Python to backtest how similar surprises have moved prices in the past.”

5. Describe a situation where you identified a pricing discrepancy in the futures market and acted on it.

Why they ask
This assesses your ability to spot opportunities and execute a strategy.

How to structure your answer
Use STAR but emphasise the discrepancy, the analysis, and the outcome.

Example answer
“Last year, I noticed that the spread between the ASX 24 90-day bank bill futures and the CME Eurodollar futures had widened beyond its usual range. I analysed the historical spread and concluded it was likely to converge. My task was to profit from this while managing risk. I executed a spread trade, buying the cheaper contract and selling the more expensive one, with a target for convergence and a stop-loss. Over the next few days, the spread narrowed as expected, and I closed the position for a profit. I reported the trade and the rationale to my supervisor, and it became a regular strategy for the desk.”

6. Why do you want to work as a futures dealer, and how do you handle the pressure of the role?

Why they ask
This assesses your motivation, resilience, and fit for the demanding environment.

How to structure your answer

Link personal interest, skills, and understanding of the role's demands; address pressure management.

Example answer

"I have always been fascinated by how global markets react to news and data, and futures dealing lets me act on that interest in a fast, disciplined way. I thrive on the intellectual challenge of pricing risk and the adrenaline of executing trades. To handle pressure, I stick to a strict routine: I prepare thoroughly before the market opens, set clear risk limits, and take short breaks to stay sharp. I also debrief after each trading day to learn from mistakes. I know the hours can be long and intense, but I manage my energy by staying organised and keeping a healthy work-life balance outside the desk."